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July 15, 2004

HAND DELIVERY

RECEIVED

JUL 15 2004

PUBLIC SERVICE  
COMMISSION

Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

**Re: *In the Matter of: Kentucky Utilities Company Revised Special Contract with  
North American Stainless***  
**Case No. 2003-00137**

Dear Ms. O'Donnell:

Attached hereto is a comparison of billing to North American Stainless by Kentucky Utilities Company, assuming a 2000 KW firm load, a 1800 KW firm load, and a 0 KW firm load, for the period July 2002 through April 2004, which was requested by the staff of the Public Service Commission. This information is being filed under seal pursuant to a Petition for Confidential Treatment.

Please confirm your receipt of this filing by placing the stamp of your Office with the date received on the enclosed additional copy and return it to me in the enclosed self-addressed stamped envelope.

Should you have any questions or need any additional information, please contact me at your convenience.

Sincerely,

Walter L. Sales

WLS/hkc  
Enclosures

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**

**In the Matter of:**

**KENTUCKY UTILITIES COMPANY  
REVISED SPECIAL CONTRACT WITH  
NORTH AMERICAN STAINLESS, LP**

JUL 15 2004

PUBLIC SERVICE  
COMMISSION

**CASE NO. 2003-00137**

**PETITION OF KENTUCKY UTILITIES COMPANY  
FOR CONFIDENTIAL TREATMENT**

Pursuant to 807 KAR 5:001 Section 7, Kentucky Utilities Company ("KU") hereby requests that the Public Service Commission ("Commission") grant confidential treatment to the calculation of billing to North American Stainless attached hereto and filed concurrently herewith ("Billing Calculation"). As discussed below, the Billing Calculation contains billing information which, if disclosed, would damage KU's competitive position and business interest and that of North American Stainless.

In support of this Motion, KU states as follows:

1. Under the Kentucky Open Records Act, the Commission is entitled to withhold from public disclosure information confidentially disclosed to it to the extent that open disclosure would permit an unfair commercial advantage to competitors of the entity whose information is so disclosed. *See* KRS 61.878 (1) (b) and (c). The public filing of rate schedules does not defeat the right of a utility to receive confidential treatment of the terms and conditions of special contracts. Here the Billing Calculation is based upon the Special Contract in effect while the Special Contract between KU and NAS was operative. *See* KRS 278.160(3). Public disclosure of the Billing Calculation would, in fact, prompt such a result, for the reasons set forth below.

2. Disclosure of the provisions of the Billing Calculation, which sets forth the prices for electric service to a non-conforming load, will afford KU's customers and competitors a substantial advantage in future contractual negotiations. Specifically, KU will find itself in at a clear competitive disadvantage if a customer has access to the terms of this Contract, as there is little room for bargaining when a customer knows exactly what KU has offered to other similarly situated customers. So, too, competitors armed with this information will know exactly what they have to offer to lure potential customers into their service territory, again placing KU at a distinct competitive disadvantage.

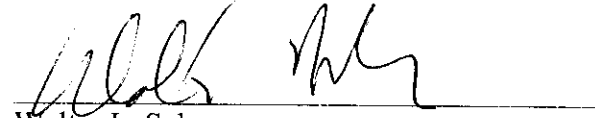
3. The provisions of the Special Contract, which generate and give rise to the Billing Calculation, also constitute a trade secret under the two-prong test of KRS 365.880, affording further support for KU's requested confidential treatment. First, the economic value of the information is derived by not being readily ascertainable by other persons who might obtain economic value by its disclosure: only KU is in a position to determine the appropriate rates for serving a particular customer on its system. Second, the information is the subject of efforts that are reasonable under the circumstances to maintain its secrecy, since, as noted above, KU's competitors and customers stand to gain a significant economic advantage by its disclosure.

4. Finally, the PSC has already granted confidential treatment to the Special Contract; hence the Billing Calculation, for the same reasons, is entitled to confidentiality.

5. In accordance with the provisions of 807 KAR 5:001 Section 7, one copy of the Report with the confidential information highlighted and ten (10) copies of the Report without the confidential information are herewith filed with the Commission.

**WHEREFORE,** Kentucky Utilities Company respectfully requests that the Commission classify and protect as confidential the attached Special Contract.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Sales', is written over a horizontal line.

Walter L. Sales  
Ogden Newell & Welch PLLC  
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500 West Jefferson Street  
Louisville, KY 40202  
(502) 582-1601

and

Steven D. Phillips  
Corporate Attorney  
LG&E Energy LLC  
220 West Main Street  
Louisville, Kentucky 40202

*Counsel for Kentucky Utilities Company*

**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing was served via U.S. mail, postage prepaid, this 15th day of July, 2004, upon the following:

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*Counsel for Kentucky Utilities Company*